

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY
MAT-SU AREA OFFICE

TIMBER SALE PROSPECTUS

Copper #4 SC-3049M

INTRODUCTION:

This prospectus is intended to furnish sufficient information to enable prospective bidders to decide whether further investigation of the sale is warranted. Should the prospectus be in error or contradict the sample contract, the sample contract governs. Prospective bidders are urged to examine the timber sale in the field and make their own estimates. Quantities and quality of timber in the contract are estimates and not guaranteed. The sale also requires the construction of 1.4 miles of winter/spur road and crossing two streams. The sale area and sample contract should be reviewed prior to submission of a bid.

LOCATION AND AREA:

The **Copper #4 SC-3049** Timber Sale is located approximately 10 miles east of the community of Willow, Alaska (see Timber Sale Area Maps) in portions of Sections 33 & 34, T21N, R3W in the Seward Meridian (SM). This sale is laid out in **three units** that compose approximately **113 acres**. This proposed timber sale is designated for harvest and scarification. The timber sale boundary is shown on the attached Sale Unit Maps, and is designated on the ground by the State with pink “timber sale boundary” flagging.

The acreage estimate is based on 1 meter satellite imagery, global positioning systems (GPS), and the use of Geographic Information System data obtained from the Mat-Su Borough. The acreage is not based on surveyed traverses.

Attached are the vicinity and sale unit maps. Detailed maps may also be obtained from the **Mat-Su Area Office, Alaska Division of Forestry, 101 Airport Road, Palmer, AK 99645** or by calling **Rick Jandreau at (907) 761-6264**.

VOLUME AND DESCRIPTION OF TIMBER:

Timber volumes are estimates based on timber inventory volumes determined by Division of Forestry (DOF) staff. The sale was designed to be marketable to the local spruce saw log and birch firewood industry. The condition or operability of the timber is not guaranteed by the State. The State does not warrant its quantity estimate, or the quality or marketability of the timber sold. The DOF strongly urges the prospective bidder to visit the site and evaluate the timber for themselves before submitting a bid.

This proposed sale is situated on uplands approximately 700 to 1,000 feet above sea level. The terrain is gently sloping to hilly with short pitches (less than 100 feet in length) of 40-50 percent slopes. Harvesting will utilize the seed tree system, where all spruce 9” in diameter at breast height (dbh), and all birch 6” dbh or larger are intended for harvest. Furthermore the logger will be required to leave 2 snags per acre for wildlife use as described in the contract.

Estimated Sale Volumes

282 MBF (thousand board feet) spruce saw logs

And

637 cunits birch firewood

ACCESS: The sale is accessed by driving east on the Willow Fishhook Road (Hatcher Pass Road) from the Parks Highway in Willow, Alaska at Mile Post 71.2 of the Parks Highway. Travel east on Hatcher Pass Road (also called Willow Fishhook Road) for approximately 3.4 miles to Deneki Drive and turn north. Proceed on Deneki Drive approximately ½ mile, turn north onto Michelle Drive, cross Willow Creek and turn north onto Kelly Circle. Turn north onto Shadoe Drive, and almost immediately, turn east onto Kenny Drive. Proceed 1.9 miles east to the Jim Carter Road & the Willer-Kash Road junction at a gravel parking area. Proceed east and north up the Willer-Kash Road for approximately 6.7 miles (to the end of the existing road). Orange “Truck Road” ribbon will be to the north marking the location of the proposed mainline access road through Units 2 and 198 of the Copper #3 Timber Sale (a previous timber sale). Access to Unit 14 will build on the road through Unit 198. To date, the proposed road through Units 2 and 198 has not been built. The Purchaser may need to negotiate with the Contractor of the Copper #3 Timber Sale for access or wait until the road is constructed. State Forestry staff designated the units in the field with pink timber sale boundary flagging several years ago and may need refreshing. It is strongly recommended to contact State Forestry prior to inspecting the sale.

The roads shown on Exhibit F-Layout Map will be constructed to winter or better road specifications described in Exhibit E (see Copper #4 Draft Contract). All road improvements and required maintenance along with logging roads or skid trail construction is the responsibility of the purchaser. Two stream crossings are required with one crossing needing a 36 inch culvert and the second crossing over an anadromous fish stream will require a 25 foot bridge. If the sale is harvested during the winter, both streams can be crossed with winter ice bridges.

The contractor is responsible for maintaining the Willer-Kash Road and all other dirt roads used in connection with this timber sale. Roads will be maintained at all times in as good or better shape as when accessed in order to accommodate other uses of the area and the people that live there. Contractors are responsible for any logging road construction, repair, and maintenance, including snowplowing if active operations are underway. The purchaser will coordinate traffic control, and timber hauling operations so as to minimize impact on the traveling public, and provide for safety on all roads connecting to the timber sale including the Willer-Kash, Deneki, Kenny, Kelly, Shirley Towne and Willow Fishhook Roads and the Parks Highway. Any logging or log hauling permits required by the Matanuska-Susitna Borough are the sole responsibility of the successful bidder/contractor.

The sale area is typically available for logging and hauling activity year round. Roads will be closed to some logging and all hauling during break up and saturated soil conditions to preserve road surfaces etc. Specifically, the Willer-Kash Road system will be closed to log truck and heavy truck hauling on or about April 7th each year due to spring breakup conditions and the risk of road damage. No rutting will be allowed on any of the roads in, to or from the harvest units.

All roads and skid trails will be required to be maintained to the standards of 11 AAC95.285-.335 of the Forest Resources and Practices Regulations. All logging roads, spur roads, and skid trails will be put to bed by the purchaser upon cessation of use that lasts more than 30 days in duration and upon termination in accordance with the Forest Resources and Practices Regulations on road closure (11 AAC 95.320 and .365) and the contract. For winter roads, log truck hauling on logging & spur roads will be allowed when the underlying ground is frozen sufficiently to support equipment. This requires a minimum of 8 inches of snow and 6 inches of frost or as approved by the DOF in writing.

The Willer-Kash Road system is used frequently by firewood cutters, people mushing dogs, riding snowmobiles & ATV's and by hunters/berry pickers. Purchasers will be expected to factor and reasonably accommodate the public into all of their operational activities on the road systems. The contractor will be contractually required to post signs as necessary to advise other trail users of logging and trucking operations.

BIDDING: This is a SEALED BID SALE. To qualify for bidding, all bidders, must prior to the bid opening, submit a copy of their current Alaska Business License, and not be in default on any other state land timber sale contracts. The business license copy may accompany the sealed bid. Sealed bids, submitted in duplicate, on forms provided by the DOF, **marked on the outside with the timber sale name and number**, and addressed to the Mat-Su Area Office, Alaska Division of Forestry, 101 Airport Road, Palmer, AK 99645, will be accepted until bid opening, **at 2:00 P.M. prevailing time on February 16, 2016**. Sealed bids may also be presented in person to the Ma-Su Area Forester, Rick Jandreau, before the bid opening. All bids must be in the physical possession of the Mat-Su Area Forester before the bid opening. Bidders are responsible for assuring that their complete bid package is delivered on time.

The State reserves the right to reject any or all bids. Unless all bids are rejected, the State will award the sale to the responsible qualified bidder offering the highest total bid for the timber. The bidder will submit prices per MBF (thousand board feet) of spruce sawlogs, and per cunit of birch firewood. The bidder's submitted price per MBF and price per cunit times the DOF estimated timber volume will be the minimum lump sum that the purchaser will pay for the timber in the sale area regardless of the quantity of timber removed.

Sale payments for this timber sale will be based on **three stumpage fee payments**, one payment each for Unit 14 (22 acres), Unit 16 (50 acres) and Unit 193 (41 acres). These units will be logged in the order described above unless approved by the State in the purchaser's operating plan. Each unit must be paid in full before entering it.

The sale "Performance Bond" must be paid upon execution of this contract. Full payment for each unit's Stumpage and "Scarification Bond" is required 15 days prior to the start of harvest operations in the respective unit. Upon completion and acceptance of scarification, scarification bonds will be returned to the purchaser. Units must be logged in sequence. No harvesting in any other unit will be allowed until the harvest is complete in the unit which is currently being harvested. Harvesting will be contractually required to progress one unit at a time in sequence with prior payment of both stumpage and Scarification Bond required. **Logging must begin within 12 months of the signing of the contract or the Purchaser will be in default of the contract and all stumpage and bid deposits are forfeit to the STATE. In the event road construction in the Copper #3 Timber Sale is not completed in a timely manner, then the Purchaser is not in default and the purchaser may request an extension to the contract commensurate to the delay in road construction, or a full refund of deposits, bonds and stumpage.**

Minimum bids by species are as follows for this timber sale:

Birch timber: \$2.00/cunit

Spruce timber: \$14.00/MBF

Note: There are approximately 0.85 cunits per cord

The minimum acceptable total bid price for the timber is \$5,220.00. BIDS MUST BE SUBMITTED ON FORMS PROVIDED BY THE STATE AND CAN BE OBTAINED AT THE ABOVE LOCATION.

If a tie in the high sealed bid occurs, the successful bidder will be determined by lot at the time of bid opening.

If bidding as an agent for an individual, partnership, or corporation, the agent must submit with the bid a notarized power-of-attorney authorizing such agency. No agent may represent more than one principal, or bid in competition with the agent's principal.

BID GUARANTEE: A deposit in the amount of 10% of the total bid submitted will be required at the time bids are submitted. The successful bidder's deposit will be credited to the stumpage due the State. Deposits from unsuccessful bidders will be returned at the time the sale is awarded. The deposit furnished by the high bidder whose bid was declared acceptable will be retained as liquidated damages if the bidder does not execute the contract and furnish a satisfactory performance bond **within 30 days of receipt of the contract for execution**. The 10% bid deposit shall be in the form of cash, certified check, cashier's check, or money order, or any combination of these.

PERIOD OF CONTRACT: All contract obligations shall be completed within **3 ½ years** of contract execution. In order to protect soil productivity and environmental quality, the State reserves the right to temporarily suspend operations.

BONDS:

1. Performance Bond. The performance bond will be deposited with the State upon execution of this contract. The amount of the performance bond will be **\$2,000.00**.
2. Scarification Bond. All three units in this timber sale require scarification. A scarification bond will be deposited with the State prior to commencing operations in units to be harvested. The scarification bond will be based on \$125.00/acre. The amount of the scarification bond at a minimum will equal the acreage harvested and unscarified times \$125.00/ acre. The minimum scarification bond for this sale will be **\$2,750.00**. Required bonding will increase or decrease as scarification is owed or accomplished. The purchaser will maintain the bond to reflect the acres to be harvested and not scarified as it changes during the period of this contract. The State will determine the adequacy of the scarification completed by the purchaser and will reduce the scarification bond held proportional to the acreages actually scarified. Note as described above that additional Scarification Bonding will be owed prior to harvesting in any additional units if scarification has not been completed in a previous unit.

The PURCHASER shall deposit the two separate bonds with the State as specified either in the form of a cashier's checks or money orders made payable to the STATE or as certificates of deposit with all rights except the interest assigned to the State. If the bond is in the form of cash

or check the STATE shall place the Performance Bond in a separate State account and all interest on the Performance Deposit shall accrue to the benefit of STATE.

PAYMENT: PURCHASER'S Bid Deposit is due the day of the auction and it shall be applied to the Stumpage Fee Payment on the first unit. The Purchaser shall pay the Performance Bond to the State on or before the contract execution date. The contract execution date is 30 days after the date of the timber sale bid opening.

The stumpage fee payment for each harvest unit will be prorated based on each unit's acreage. 15 days prior to operating in each of the harvest units, the Purchaser shall pay to the State the unit's stumpage fee payment along with any additional Scarification Bond owed.

CONTRACT REQUIREMENTS AND STIPULATIONS:

The sale will require the maintenance of access roads as identified above and in accordance to the contract. The purchaser will need to construct approximately 7,300 feet of winter/spur roads to access the timber. **Purchaser is required to obtain the necessary permits from the Department of Fish and Game's Habitat Division for the two stream crossings needed to access the timber. The roads must meet or exceed the winter road specifications described in Exhibit E of the Copper #4 Draft Contract.**

The Purchaser will have 30 days from the receipt of the contract for signing to return it to the Mat-Su Area Forester, properly signed and notarized and with the required payment submitted as defined above and in the contract in order to execute the contract.

Scarification to mineral soil will be required on over 50% of the upland area in all units. Scarification is the removal of the top grassy brush vegetative matt and root layer, while preserving as much as possible the underlying topsoil. Scarification is usually 6 to 8 inches deep in a grassy forest understory. Scarification is required to be completed within 6-months after harvest or by the time the contract expires. The Scarification Bond will be released back to the contractor after scarification is successfully completed and approved by the State Division of Forestry. Non-compliance with the scarification requirements of this timber sale will constitute a breach of contract and PURCHASER will be in default. The contractor may forfeit bonds to cover damages suffered by the state in the default of this contract and in order to cover the costs of the performance of this requirement to scarify the units of the timber sale.

RESERVATIONS: The state reserves the right to waive technical defects in this prospectus and reject any and all high bids. The State reserves the right to award the timber for the amount of the next high bid to the next highest bidder if the Director considers the highest bidder unqualified to fulfill the requirements of the contract, or if the contract is not executed by the highest bidder. The State also reserves the right to waive any informality in the bids received whenever the waiver is in the best interests of the State.

MAT-SU BOROUGH TIMBER HARVEST PERMIT: A Timber Harvest Permit is required by the Borough for forestry projects larger than 40 acres. Contact the MSB in Palmer at (907) 745-9863 regarding compliance with this ordinance.

GENERAL: Further information, including copies of this prospectus, bid form and sample contract may be obtained at the following web site, <http://www.dnr.state.ak.us/forestry/timber/matsu.htm> or by writing to Rick Jandreau at the Mat-Su Area Office, Alaska Division of Forestry, 101 Airport Road, Palmer, AK 99645 or by calling

(907) 761-6264. The information and documents may also be picked up in person, by prior telephone arrangement, at the Mat-Su Area Office.